

**2005 DRAFTING REQUEST**

**Bill**

Received: **01/05/2005**

Received By: **gmalaise**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 4-8259**

By/Representing: **Hummert**

This file may be shown to any legislator: **NO**

Drafter: **gmalaise**

May Contact:

Addl. Drafters:

Subject: **Higher Education - miscellaneous**

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

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**Pre Topic:**

DOA:.....Hummert, BB0361 -

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**Topic:**

Educational approval board

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**Instructions:**

See Attached

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	gmalaise 01/05/2005	kfollett 01/06/2005		_____ _____			State
/1			jfrantze 01/06/2005	_____ _____	lnorthro 01/06/2005		State
/2	gmalaise 01/26/2005	jdyer 01/26/2005	rschluet 01/26/2005	_____ _____	mbarman 01/27/2005		

FE Sent For:

<END>

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/?	gmalaise	1/15/05 1/6	1/16/05	1/16/05 1/6			

FE Sent For:

<END>

## 2005-07 Budget Bill Statutory Language Drafting Request

- Topic: Educational Approval Board
- Tracking Code: **BB 0361**
- SBO team: Education
- SBO analyst: Josh Hummert
  - Phone: 4-8259
  - Email: joshua.hummert@doa.state.wi.us
- Agency acronym: DVA
- Agency number: 485

**CORRESPONDENCE MEMORANDUM****STATE OF WISCONSIN**  
**Department of Administration****Date:** January 4, 2005**To:** Steve Miller  
Legislative Reference Bureau**From:** Josh Hummert   
Executive Policy and Budget Analyst**Subject:** Educational Approval Board drafting request

Please draft the following statutory changes for the Educational Approval Board (EAB):

1. Transfer EAB from the Department of Veterans Affairs to the Wisconsin Technical College System (WTCS). EAB should remain an independent board that is attached to WTCS for administrative purposes in a new program under s. 20.292, similar to EAB's status prior to 1997. 15.495(2); 15.945(2); 20.485(5); 20.292(2); 45.54; 38.50
2. Allow EAB to retain up to 20% of the fund balance in the appropriation under s. 20.485(5)(g) and require that at least 40% of the balance be transferred to the appropriation under s. 20.485(5)(gm) and 40% be lapsed to the general fund.
3. Allow EAB to sue to secure academic records from schools that the board regulates that are in danger of closing.

If there are questions or additional information is needed please contact me at 4-8259.

cc: Linda Nelson  
Bob Hanle

## Malaise, Gordon

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**From:** Hummert, Joshua  
**Sent:** Wednesday, January 05, 2005 2:02 PM  
**To:** Malaise, Gordon  
**Subject:** RE: Educational Approval Board--Academic Records

1. The intention is to allow EAB to retain up to 20% of the balance in its general appropriation and to split the remainder between the general fund and the student protection fund. If EAB only elects to retain 10% of the balance, then the remaining 90% should be evenly split between those two funds.

2. Carole's drafting request is correct. I'm still rather unfamiliar with EAB, so my natural inclination was to limit the scope of the ~~statutory change~~ until I learned more.

-----Original Message-----

**From:** Malaise, Gordon [mailto:Gordon.Malaise@legis.state.wi.us]  
**Sent:** Wednesday, January 05, 2005 1:53 PM  
**To:** Hummert, Joshua  
**Subject:** Educational Approval Board--Academic Records

Josh:

I just received the above-captioned drafting request and have a couple of questions:

1. In item 2., the language requiring the EAB to transfer "*at least 40 percent*" of the fund balance appears to contradict the language permitting the EAB to retain "*up to 20 percent*" of the fund balance because what if EAB decides to transfer 50 percent? Then, there would only be 10 percent left to retain, but EAB is allowed to retain 20 percent. Which would override--"*at least 40 percent*" or "*up to 20 percent*"?

Do you actually intend to require that exactly 40 percent be transferred, exactly 40% be lapsed, and exactly 20 percent be retained?

Or, perhaps, that more than 40 percent may be transferred and more than 40 percent may be lapsed, and the remainder be retained?

Also, does "*at least*" apply only to the balance to be transferred or does it also apply to the amount to be lapsed as well?

In addition, the previous draft that I prepared for Carole Schaeffer, LRB05-0086, permits EAB to retain 20 percent "*of the amount in the schedule*" not 20 percent of the fund balance. I just want to make sure that you do not actually intend to let EAB retain 20 percent of the amount in the schedule.

2. In item 3., I want to be clear that suing to secure academic records only applies to schools regulated by the EAB. A previous draft that I prepared for Carole Schaeffer, LRB05-0087 permitted the EAB to sue to preserve the records of schools not regulated by the EAB, e.g., Mt. Senario College in Ladysmith.

If the preservation of records provision only applies to schools regulated by the EAB, then the provision is arguably unnecessary because the EAB administrative rules already permit the EAB to sue to preserve those records.

Gordon

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

DOA:.....Olsen-Hasek, BB0098 - Educational Approval Board  
appropriation structure and statutory placement

for administrative purposes. This bill attaches the  
EAB to the Technical College System Board  
for administrative purposes.

Do Not Gen

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*  
**EDUCATION**

(EAB-approved schools)

**OTHER EDUCATIONAL AND CULTURAL AGENCIES**

Under current law, the Educational Approval Board (EAB) inspects and approves private trade, correspondence, business, and technical schools to protect the students, prevent fraud, and encourage accepted educational standards at those schools. Currently, the EAB is attached to DVA, the powers and duties of the EAB are located in a chapter of the statutes relating to veterans, and the appropriations for the EAB are located under the appropriation structure of the DVA. This bill moves the powers and duties of the EAB to the chapter of the statutes relating to higher educational agencies and the appropriations of the EAB to the subchapter of the appropriations chapter of the statutes relating to education. The bill does not, however, detach the EAB from the DVA.

Insert  
A-1  
A-2

**The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:**

2

SECTION 1. 20.240 (intro.) of the statutes is created to read:



1 ~~20.240 Educational approval board.~~ (intro.) There is appropriated to the  
2 educational approval board for the following programs:

\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

20.292 (2)

SECTION 2. 20.485 (5) (title) of the statutes is renumbered ~~20.240 (1)~~ (title) and amended to read:

5 ~~20.240 (1) (title) EDUCATIONAL APPROVAL BOARD~~

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

6 SECTION 3. 20.485 (5) (g) of the statutes is renumbered 20.240 (1) (g) and  
7 amended to read:

8 20.240 (1) (g) *Proprietary school programs.* The amounts in the schedule for  
9 the examination and approval of proprietary school programs. All moneys received  
10 from the issuance of solicitor's permits under s. 45.54 39.90 (8) and fees under s. 45.54  
11 39.90 (10) shall be credited to this appropriation.

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

12 SECTION 4. 20.485 (5) (gm) of the statutes is renumbered 20.240 (1) (gm) and  
13 amended to read:

14 20.240 (1) (gm) *Student protection.* All moneys received from the fees received  
15 under s. 45.54 39.90 (10) (c) 4., for the purpose of indemnifying students, parents, or  
16 sponsors under s. 45.54 39.90 (10) (a).

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

20.292 (2)

17 SECTION 5. 20.485 (5) (h) of the statutes is renumbered ~~20.240 (1)~~ (h).

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

18 SECTION 6. 29.506 (7m) (a) of the statutes is amended to read:

29.506 **(7m)** (a) The department shall issue a taxidermy school permit to a person who applies for the permit; who, on August 15, 1991, holds a valid taxidermist permit issued under this section; and who, on August 15, 1991, operates a taxidermy school approved by the educational approval board under s. 45.54 ~~29.90~~.

**SECTION 7.** Subchapter V (title) of chapter 39 [precedes 39.90] of the statutes is created to read:

CHAPTER 39  
SUBCHAPTER V

~~EDUCATIONAL APPROVAL BOARD~~

**SECTION 8.** 45.25 (1m) of the statutes is amended to read:

45.25 (1m) ADMINISTRATION. The department shall administer a tuition reimbursement program for eligible veterans enrolling as undergraduates in any institution of higher education, as defined in s. 45.396 (1) (a), in this state, enrolling in a school that is approved under s. 45.35 (9m), enrolling in a proprietary school that is approved under s. 45.54 ~~39.99~~ or receiving a waiver of nonresident tuition under s. 39.47.

**SECTION 9.** 45.25 (3) (a) of the statutes is amended to read:

45.25 (3) (a) Except as provided in par. (am), a veteran who meets the requirements under sub. (2), upon satisfactory completion of a full-time undergraduate semester in any institution of higher education, as defined in s. 45.396 (1) (a), in this state, any school that is approved under s. 45.35 (9m), any proprietary school that is approved under s. ~~45.54 39.90~~, or any institution from which the veteran receives a waiver of nonresident tuition under s. 39.47, may be reimbursed an amount not to exceed the total cost of the veteran's tuition minus any grants or scholarships that the veteran receives specifically for the payment of the

1 tuition, or the standard cost of tuition for a state resident for an equivalent  
2 undergraduate semester at the University of Wisconsin–Madison, whichever is less.  
3 Reimbursement is available only for tuition that is part of a curriculum that is  
4 relevant to a degree in a particular course of study at the institution.

5 **SECTION 10.** ~~10.~~ 45.25 (4) (a) of the statutes is amended to read:

6 45.25 (4) (a) A veteran is not eligible for reimbursement under sub. (2) for more  
7 than 120 credits or 8 full semesters of full-time study at any institution of higher  
8 education, as defined in s. 45.396 (1) (a), in this state, 60 credits or 4 full semesters  
9 of full-time study at any institution of higher education, as defined in s. 45.396 (1)  
10 (a), in this state that offers a degree upon completion of 60 credits, or an equivalent  
11 amount of credits at a school that is approved under s. 45.35 (9m), at a proprietary  
12 school that is approved under s. 45.54 ~~39.99~~, or at an institution where he or she is  
13 receiving a waiver of nonresident tuition under s. 39.47.

32.50

(not twice)

14 **SECTION 11.** ~~11.~~ 45.396 (2) of the statutes is amended to read:

15 45.396 (2) Any veteran upon the completion of any correspondence course or  
16 part-time classroom study from an institution of higher education located in this  
17 state, from a school that is approved under s. 45.35 (9m), from a proprietary school  
18 that is approved under s. 45.54 ~~39.99~~, or from any public or private high school may  
19 be reimbursed in part for the cost of the course by the department upon presentation  
20 to the department of a certificate from the school indicating that the veteran has  
21 completed the course and stating the cost of the course and upon application for  
22 reimbursement completed by the veteran and received by the department no later  
23 than 60 days after the termination of the course for which the application for  
24 reimbursement is made. The department shall accept and process an application  
25 received more than 60 days after the termination of the course if the applicant shows

1 good cause for the delayed receipt. The department may not require that an  
2 application be received sooner than 60 days after a course is completed. Benefits  
3 granted under this section shall be paid out of the appropriation under s. 20.485 (2)  
4 (th).

5 SECTION ~~12~~ 45.396 (3) (intro.) of the statutes is amended to read:

6 45.396 (3) (intro.) A veteran who is a resident of this state and otherwise  
7 qualified to receive benefits under this section may receive the benefits under this  
8 section upon the completion of any correspondence courses or part-time classroom  
9 study from an institution of higher education located outside this state, from a school  
10 that is approved under s. 45.35 (9m), or from a proprietary school that is approved  
11 under s. 45.54 ~~39.90~~ if any of the following applies: 38.50 (use twice)

12 SECTION ~~13~~ 45.397 (2) (a) of the statutes is amended to read:

13 45.397 (2) (a) The veteran is enrolled in a training course in a technical college  
14 under ch. 38 or in a proprietary school in the state approved by the educational  
15 approval board under s. 45.54 ~~39.90~~ other than a proprietary school offering a  
16 4-year degree or 4-year program, or is engaged in a structured on-the-job training  
17 program that meets program requirements promulgated by the department by rule.

18 SECTION ~~14~~ 45.54 (title) of the statutes is renumbered ~~39.90~~ 38.50 (title).

19 SECTION ~~15~~ 45.54 (1) of the statutes is renumbered ~~39.90~~ 38.50 (1) (intro.)

20 SECTION ~~16~~ 45.54 (2) of the statutes is renumbered ~~39.90~~ 38.50 (use twice)

21 SECTION ~~17~~ 45.54 (3) of the statutes is renumbered ~~39.90~~ 38.50

22 SECTION ~~18~~ 45.54 (5) of the statutes is renumbered ~~39.90~~ (5) and amended to

23 read: 38.50

24 ~~39.90~~ (5) EMPLOYEES, QUARTERS. The board shall employ a person to perform

25 the duties of an executive secretary and any other persons under the classified

Insert  
5-19

technical college system board

service that may be necessary to carry out the board's purpose. The person performing the duties of the executive secretary shall be in charge of the administrative functions of the board. The board shall, to the maximum extent practicable, keep its office with the ~~department of veterans affairs~~.

SECTION ~~19~~. 45.54 (7) of the statutes is renumbered ~~39.90~~ (7).

SECTION ~~20~~. 45.54 (8) of the statutes is renumbered ~~39.90~~ (8).

SECTION ~~21~~. 45.54 (10) (title) of the statutes is renumbered ~~39.90~~ (10) (title).

SECTION ~~22~~. 45.54 (10) (a) of the statutes is renumbered ~~39.90~~ (10) (a) and amended to read:

~~39.90~~ (10) (a) *Authority*. All proprietary schools shall be examined and approved by the board before operating in this state. Approval shall be granted to schools meeting the criteria established by the board for a period not to exceed one year. No school may advertise in this state unless approved by the board. All approved schools shall submit quarterly reports, including information on enrollment, number of teachers and their qualifications, course offerings, number of graduates, number of graduates successfully employed, and such other information as the board deems necessary. If a school closure results in losses to students, parents, or sponsors, the board may authorize the full or partial payment of those losses from the appropriation under s. ~~20.485 (5) 20.240 (1)~~ (gm).

SECTION ~~23~~. 45.54 (10) (b) of the statutes is renumbered ~~39.90~~ (10) (b).

SECTION ~~24~~. 45.54 (10) (c) of the statutes is renumbered ~~39.90~~ (10) (c).

SECTION ~~25~~. 45.54 (10) (cm) of the statutes is renumbered ~~39.90~~ (10) (cm).

SECTION ~~26~~. 45.54 (10) (d) of the statutes is renumbered ~~39.90~~ (10) (d).

SECTION ~~27~~. 45.54 (10) (e) of the statutes is renumbered ~~39.90~~ (10) (e).

SECTION ~~28~~. 71.05 (6) (b) 28. (intro.) of the statutes is amended to read:

1           71.05 (6) (b) 28. (intro.) An amount paid by a claimant for tuition expenses for  
2           a student who is the claimant or who is the claimant's child and the claimant's  
3           dependent who is claimed under section 151 (c) of the Internal Revenue Code, to  
4           attend any university, college, technical college or a school approved under s. 45.54  
5           ~~39.90~~, that is located in Wisconsin or to attend a public vocational school or public  
6           institution of higher education in Minnesota under the Minnesota-Wisconsin  
7           reciprocity agreement under s. 39.47, calculated as follows:

8           **SECTION 29.** 182.028 of the statutes is amended to read:

9           **182.028 School corporations.** Any corporation formed for the establishment  
10          and maintenance of schools, academies, seminaries, colleges, or universities or for  
11          the cultivation and practice of music shall have power to enact bylaws for the  
12          protection of its property, and provide fines as liquidated damages upon its members  
13          and patrons for violating the bylaws, and may collect the same in tort actions, and  
14          to prescribe and regulate the courses of instruction therein, and to confer such  
15          degrees and grant such diplomas as are usually conferred by similar institutions or  
16          as shall be appropriate to the courses of instruction prescribed, except that no  
17          corporation shall operate or advertise a school that is subject to s. 45.54 ~~39.90~~ (10)  
18          without complying with the requirements of s. 45.54 ~~39.90~~. Any stockholder may  
19          transfer his or her stock to the corporation for its use; and if the written transfer so  
20          provides the stock shall be perpetually held by the board of directors with all the  
21          rights of a stockholder, including the right to vote.

22          **SECTION 30.** 460.05 (1) (e) 1. of the statutes is amended to read:

23          460.05 (1) (e) 1. Graduated from a school of massage therapy or bodywork  
24          approved by the educational approval board under s. 45.54 ~~39.90~~ or completed a

38.50

38.50

38.50

1 training program approved by the department under the rules promulgated under  
2 s. 460.04 (2) (b).

3 **SECTION 31.** 944.21 (8) (b) 3. a. of the statutes is amended to read:

4 944.21 **(8)** (b) 3. a. Is a technical college, is a school approved by the educational  
5 approval board under s. 45.54 ~~39.90~~ or is a school described in s. 45.54 ~~39.90~~ (1) (e)  
6 6., 7. or 8.; and

7 **SECTION 32.** 948.11 (4) (b) 3. a. of the statutes is amended to read:

8 948.11 **(4)** (b) 3. a. Is a technical college, is a school approved by the educational  
9 approval board under s. 45.54 ~~39.90~~ or is a school described in s. 45.54 ~~39.90~~ (1) (e)  
10 6., 7. or 8.; and

11 (END)

Insert A-1

2005 - 2006 LEGISLATURE

LRB-0087/1  
GMM:kjf:rs

DOA:.....Olsen-Hasek, BB0096 - Preservation of student records  
FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ~~relating to~~ the budget.

*Analysis by the Legislative Reference Bureau*

**EDUCATION**

**OTHER EDUCATIONAL AND CULTURAL AGENCIES**

Under current law, the Educational Approval Board (EAB) inspects and approves private trade correspondence, business, and technical schools (EAB-approved schools) to protect the students, prevent fraud, and encourage accepted educational standards at those schools. Under current administrative rules, the EAB may seek a court order to take possession of an EAB-approved school's records if it appears that those records are in danger of being destroyed, secreted, mislaid, or otherwise made unavailable. Current law, however, exempts from the oversight of the EAB tax-exempt schools that were incorporated in this state before January 1, 1992, or that had their headquarters and principal places of business in this state before 1970, schools that are licensed or approved, and supervised, by other state agencies, schools approved by the Department of Public Instruction (DPI) for the training of teachers, and schools accredited by accrediting agencies recognized by the EAB (schools not approved by the EAB).

This bill permits the EAB to take possession of the student records of an EAB-approved school or a school not approved by the EAB operating in this state if the school discontinues its operations, proposes to discontinue its operations, or is in imminent danger of discontinuing its operations as determined by the EAB and if the EAB determines that those records are in danger of being destroyed, secreted,



-2-  
Ln 4 A-1

- \* mislaid, or otherwise made unavailable to the persons who are the subjects of those records ~~or the authorized representatives of those persons.~~ The bill also permits the EAB to seek a court order authorizing the EAB to take possession of the student records of an EAB-approved school or a school not approved by the EAB if necessary to protect those records from being destroyed, secreted, mislaid, or otherwise made
- \* unavailable to the persons who are the subjects of those records ~~or the authorized representatives of those persons.~~ The bill requires the EAB to preserve any student record that comes into its possession and to keep the student record confidential as provided in the federal Family Educational Rights and Privacy Act of 1974, which generally requires student records to be kept confidential and not to be disclosed except to the person who is the subject of the record or a person authorized by that person.

For purposes of the bill, "student record" is defined, in the case of an EAB-approved school, as a transcript for a student or former student of a school showing the name of the student, the title of the program in which the student was or is enrolled, the total number of credits or hours of instruction completed by the student, the dates of enrollment, the grade for each course, lesson, or unit of instruction completed by the student, the student's cumulative grade for the program, and an explanation of the school's credit and grading system. In the case of a school that is not approved by the EAB, "student record" is defined as a transcript for a student or former student of the school showing such information about the academic work completed by the student or former student as is customarily maintained by the school.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1        **SECTION 1.** 20.485 (5) (gm) of the statutes is amended to read:

2        20.485 (5) (gm) *Student protection.* All moneys received from the fees received  
3        under s. 45.54 (10) (c) 4., for the purpose of indemnifying students, parents, or  
4        sponsors under s. 45.54 (10) (a) and for the purpose of preserving under s. 45.54 (11)  
5        the student records of schools, as defined in s. 45.54 (1) (e), that have discontinued  
6        their operations.

7        **SECTION 2.** 20.485 (5) (i) of the statutes is created to read:

(Ln 8 ~ 7)



#

Insert A-2

In addition, the bill ~~also~~ <sup>to</sup> ~~requires~~ <sup>in</sup> permits the EAB to retain in ~~an~~ <sup>an</sup> ~~that it uses for~~ <sup>an</sup> appropriation account ~~for~~ the examination and approval of ~~of~~ <sup>of</sup> ~~EAB~~ <sup>of</sup> school programs not more than 20 percent of the unencumbered balance at the end of each fiscal year and ~~of~~ <sup>50</sup> requires that, of the balance remaining, 50 percent shall ~~50~~ <sup>50</sup> lapse to the general fund and 50 percent shall be ~~to~~ <sup>that</sup> transferred to an appropriation account ~~of~~ <sup>was</sup> the EAB ~~for~~ <sup>the</sup> ~~was to indemnify students, parents, and sponsors who~~ <sup>of</sup> suffer losses as a result of a school closure, ~~and to~~ <sup>and to</sup> ~~provide~~

FE-5

(let & mail)

Insert 1-2

Section #. 15.495 of the statutes is renumbered 15.945 and amended to read:

technical college system board

**15.945 Same; attached board.** (1) EDUCATIONAL APPROVAL BOARD. There is created an educational approval board which is attached to the ~~department of veterans affairs~~ under s. 15.03. The board shall consist of not more than 7 members, who shall be representatives of state agencies and other persons with a demonstrated interest in educational programs, appointed to serve at the pleasure of the governor.

**History:** 1997 a. 27; 1999 a. 9 s. 40g; Stats. 1999 s. 15.495.



Insert 1-2

2005 - 2006 Legislature ✓

- 3 -

LRB-0087/1  
GMM:kjls  
SECTION 2

SEC#(R 20.292(2)(i)

20.292(2)(i)

38.50

- 1 20.485 (5)(i) Closed schools; preservation of student records. All moneys  
2 received from fees collected under s. 45.54(11) (c) to be used for the administrative  
3 costs of taking possession of, preserving, and providing copies of student records of  
4 schools, as defined in s. 38.50 (11) (a) 1., that have discontinued their operations.

\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

Section 3. 45.54 (11) of the statutes is created to read:

45.54 (11) CLOSED SCHOOLS; PRESERVATION OF RECORDS. (a) In this subsection:

1. Notwithstanding sub. (1) (e), "school" has the meaning given in sub. (1) (e) (intro.) and also includes a school described in sub. (1) (e) 1., 6., 7., or 8.

2. "Student record" means, in the case of a school, as defined in sub. (1) (e) (intro.), a transcript for a student or former student of a school showing the name of the student, the title of the program in which the student was or is enrolled, the total number of credits or hours of instruction completed by the student, the dates of enrollment, the grade for each course, lesson, or unit of instruction completed by the student, the student's cumulative grade for the program, and an explanation of the school's credit and grading system. In the case of a school described in sub. (1) (e) 1., 6., 7., or 8., "student record" means a transcript for a student or former student of the school showing such information about the academic work completed by the student or former student as is customarily maintained by the school.

(b) If a school operating in this state discontinues its operations, proposes to discontinue its operations, or is in imminent danger of discontinuing its operations as determined by the board and if the board determines that the student records of the school are in danger of being destroyed, secreted, mislaid, or otherwise made unavailable to the persons who are the subjects of those student records or the

End Insert 1-2

Insert 2-16  
 educational approval board may retain in this  
 appropriation account not more than 20 percent of the

that unencumbered balance that does not exceed 20 percent of the amount in the appropriation schedule for that appropriation account for the next fiscal year.

For further information see the **state and local** fiscal estimate, which will be printed as an appendix to this bill.

**The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:**

renumbered 20.292 (2) (g) and

SECTION 1. 20.485 (5) (g) of the statutes is amended to read:

~~20.292 (2) (g)~~

20.485 (5) (g) *Proprietary school programs.* The amounts in the schedule for

the examination and approval of proprietary school programs. All moneys received

from the issuance of solicitor's permits under s. 45.54 (8) and fees under s. 45.54 (10)

shall be credited to this appropriation account. Notwithstanding s. 20.001 (3) (a), the

unencumbered balance on June 30 of each fiscal year is transferred to the

appropriation account under par. (gm) ~~except that the educational approval board~~

~~may retain in this appropriation account the amount of that unencumbered balance~~

~~that does not exceed 20 percent of the amount in the schedule for the next fiscal year.~~

renumbered 20.292 (2) (gm) and

SECTION 2. 20.485 (5) (gm) of the statutes is amended to read:

~~20.292 (2) (g)~~

20.485 (5) (gm) *Student protection.* All moneys received from the fees received

under s. 45.54 (10) (c) 4. and all moneys transferred from the appropriation account

under par. (g), for the purpose of indemnifying students, parents, or sponsors under

s. 45.54 (10) (a)

and 50 percent shall lapse  
 to the general fund  
 (END)

38.50 (10) (a) and for the purpose  
 of preserving under s. 38.50 (11) the  
 student records of schools, as defined  
 in s. 38.50 (17) (e), that have  
 discontinued their operations

and, of the balance  
 remaining, 50 percent  
 shall be

(and insert)

change  
 components

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NOTE: bud

change  
 components

-3-  
Insert 3-9

20.485 (5) (i) *Closed schools, preservation of student records.* All moneys received from fees collected under s. 45.54 (11) (c) to be used for the administrative costs of taking possession of, preserving, and providing copies of student records of schools, as defined in s. 45.54 (11) (a) 1., that have discontinued their operations.

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 3. ~~45.54~~ (11) of the statutes is created to read:

~~45.54~~ (11) CLOSED SCHOOLS; PRESERVATION OF RECORDS. (a) In this subsection:

1. Notwithstanding sub. (1) (e), "school" has the meaning given in sub. (1) (e) (intro.) and also includes a school described in sub. (1) (e) 1., 6., 7., or 8.

2. "Student record" means, in the case of a school, as defined in sub. (1) (e) (intro.), a transcript for a student or former student of a school showing the name of the student, the title of the program in which the student was or is enrolled, the total number of credits or hours of instruction completed by the student, the dates of enrollment, the grade for each course, lesson, or unit of instruction completed by the student, the student's cumulative grade for the program, and an explanation of the school's credit and grading system. In the case of a school described in sub. (1) (e) 1., 6., 7., or 8., "student record" means a transcript for a student or former student of the school showing such information about the academic work completed by the student or former student as is customarily maintained by the school.

(b) If a school operating in this state discontinues its operations, proposes to discontinue its operations, or is in imminent danger of discontinuing its operations as determined by the board and if the board determines that the student records of the school are in danger of being destroyed, secreted, mislaid, or otherwise made unavailable to the persons who are the subjects of those student records or the

- 4 -  
Court 3-9

1 authorized representatives of those persons, the board may take possession of those  
2 student records. If necessary to protect student records from being destroyed,  
3 secreted, mislaid, or otherwise made unavailable to the persons who are the subjects  
4 of those student records or the authorized representatives of those persons, the board  
5 may seek a court order authorizing the board to take possession of those student  
6 records.

7 (c) The board shall preserve a student record that comes into the possession of  
8 the board under par. (b) and shall keep the student record confidential as provided  
9 under 20 USC 1232g and 34 CFR Part 99. A student record in the possession of the  
10 board is not open to public inspection or copying under s. 19.35 (1). Upon request of  
11 the person who is the subject of a student record or an authorized representative of  
12 that person, the board shall provide a copy of the student record to the requester. The  
13 board may charge a fee for providing a copy of a student record. The fee shall be based  
14 on the administrative cost of taking possession of, preserving, and providing the copy  
15 of the student record. All fees collected under this paragraph shall be credited to the  
16 appropriation account under s. ~~20.485 (5)~~ (i).

17 (END)

20.292 (2)

(2010/11/17)

Insert 5-19

Section #. 45.54 (1) (a) of the statutes is renumbered 38.50 (1) (a) and amended to read:

Notwithstanding s. 38.01 (2), "board"

38.50 (1) (a) ~~"Board"~~ means the educational approval board.

History: 1971 c. 125 ss. 249, 448; 1971 c. 211 s. 51; 1973 c. 12, 90; 1975 c. 39, 224, 422; 1981 c. 380; 1981 c. 391 s. 211; 1983 a. 27, 189, 485; 1985 a. 156; 1985 a. 332 s. 251 (3), (6); 1987 a. 27; 1989 a. 31, 56, 359; 1991 a. 39, 316; 1993 a. 61, 112, 399; 1995 a. 27 ss. 1815 to 1840, 9130 (4), 9145 (1); 1997 a. 3; 1997 a. 27 ss. 1196 to 1211, 1313 to 1315; Stats. 1997 s. 39.51; 1999 a. 9 ss. 921m to 929m; Stats. 1999 s. 45.54; 1999 a. 185 s. 36; 2001 a. 16, 103; 2003 a. 33.

SEC# RN 8 45.54 (1) (b); 38.50 (1) (b)

SEC# RN 45.54 (1) (c); 38.50 (1) (c)

SEC# RN 45.54 (1) (d); 38.50 (1) (d)

SEC# RN 45.54 (1) (e); 38.50 (1) (e)

SEC# RN 45.54 (1) (f); 38.50 (1) (f)

SEC# RN 45.54 (1) (g); 38.50 (1) (g)

(continued)



## Malaise, Gordon

---

**From:** Hummert, Joshua  
**Sent:** Tuesday, January 25, 2005 3:47 PM  
**To:** Malaise, Gordon  
**Subject:** RE: LRB Draft: 05-1510/1 Educational approval board

Gordon, in section 4, could you please change how the amount of the unencumbered balance that EAB can retain is factored? Instead of allowing EAB to retain 20% of the unencumbered balance, please allow EAB to retain an amount equal to 20% of the amount listed in Chapter 20 for that appropriation.

Thanks,  
Josh

-----Original Message-----

From: Frantzen, Jean [mailto:Jean.Frantzen@legis.state.wi.us]  
Sent: Thursday, January 06, 2005 4:06 PM  
To: Hummert, Joshua  
Cc: Hanle, Bob; Hanaman, Cathlene; Haugen, Caroline; Merry-Mason, Monica  
Subject: LRB Draft: 05-1510/1 Educational approval board

Following is the PDF version of draft 05-1510/1.



State of Wisconsin  
2005 - 2006 LEGISLATURE

LRB-1510/T

GMM:kjf:jf

Don't

2  
RMR

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

DOA:.....Hummert, BB0361 - Educational approval board

don't gen

1 AN ACT ...; relating to: the budget.

---

*Analysis by the Legislative Reference Bureau*

**EDUCATION**

**OTHER EDUCATIONAL AND CULTURAL AGENCIES**

Under current law, the Educational Approval Board (EAB) inspects and approves private trade, correspondence, business, and technical schools (EAB-approved schools) to protect the students, prevent fraud, and encourage accepted educational standards at those schools. Currently, the EAB is attached to DVA for administrative purposes. This bill attaches the EAB to the Technical College System Board for administrative purposes.

Under current administrative rules, the EAB may seek a court order to take possession of an EAB-approved school's records if it appears that those records are in danger of being destroyed, secreted, mislaid, or otherwise made unavailable. Current law, however, exempts from the oversight of the EAB tax-exempt schools that were incorporated in this state before January 1, 1992, or that had their headquarters and principal places of business in this state before 1970, schools that are licensed or approved, and supervised, by other state agencies, schools approved by DPI for the training of teachers, and schools accredited by accrediting agencies recognized by the EAB (schools not approved by the EAB).

This bill permits the EAB to take possession of the student records of an EAB-approved school or a school not approved by the EAB operating in this state if the school discontinues its operations, proposes to discontinue its operations, or is in

✓ that does not exceed 20 percent of the amount appropriated for those purposes for the next fiscal year

imminent danger of discontinuing its operations as determined by the EAB and if the EAB determines that those records are in danger of being destroyed, secreted, mislaid, or otherwise made unavailable to the persons who are the subjects of those records. The bill also permits the EAB to seek a court order authorizing the EAB to take possession of the student records of an EAB-approved school or a school not approved by the EAB if necessary to protect those records from being destroyed, secreted, mislaid, or otherwise made unavailable to the persons who are the subjects of those records. Amount of the ✓

In addition, the bill permits the EAB to retain in an appropriation account that it uses for the examination and approval of school programs not more than 20 percent of the unencumbered balance at the end of each fiscal year and requires that, of the balance remaining, 50 percent shall lapse to the general fund and 50 percent shall be transferred to an appropriation account that the EAB uses to indemnify students who suffer losses as a result of a school closure.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 15.495 of the statutes is renumbered 15.945 and amended to read:

2           **15.945 Same; attached board.** (1) EDUCATIONAL APPROVAL BOARD. There is  
3 created an educational approval board which is attached to the department of  
4 veterans affairs technical college system board under s. 15.03. The board shall  
5 consist of not more than 7 members, who shall be representatives of state agencies  
6 and other persons with a demonstrated interest in educational programs, appointed  
7 to serve at the pleasure of the governor.

8           **SECTION 2.** 20.292 (2) (i) of the statutes is created to read:

9           20.292 (2) (i) *Closed schools; preservation of student records.* All moneys  
10 received from fees collected under s. 38.50 (11) (c) to be used for the administrative  
11 costs of taking possession of, preserving, and providing copies of student records of  
12 schools, as defined in s. 38.50 (11) (a) 1., that have discontinued their operations.

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

1           **SECTION 3.** 20.485 (5) (title) of the statutes is renumbered 20.292 (2) (title).

      \*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

2           **SECTION 4.** 20.485 (5) (g) of the statutes is renumbered 20.292 (2) (g) and  
3 amended to read:

4           20.292 (2) (g) *Proprietary school programs.* The amounts in the schedule for the amount of that does not exceed 20 percent of  
5 the examination and approval of proprietary school programs. All moneys received the amount in the schedule for the  
6 from the issuance of solicitor's permits under s. 45.54 38.50 (8) and fees under s. 45.54 next  
7 38.50 (10) shall be credited to this appropriation account. Notwithstanding s. 20.001 fiscal  
8 (3) (a), the educational approval board may retain in this appropriation account year  
9 more than 20 percent of the unencumbered balance on June 30 of each fiscal year,  
10 and, of the balance remaining, 50 percent shall be transferred to the appropriation  
11 account under par. (gm) and 50 percent shall lapse to the general fund.

      \*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

12          **SECTION 5.** 20.485 (5) (gm) of the statutes is renumbered 20.292 (2) (gm) and  
13 amended to read:

14          20.292 (2) (gm) *Student protection.* All moneys received from the fees received  
15 under s. 45.54 38.50 (10) (c) 4. and all moneys transferred from the appropriation  
16 account under par. (g), for the purpose of indemnifying students, parents, or sponsors  
17 under s. 45.54 (10) (a) 38.50 (10) (a) and for the purpose of preserving under s. 38.50  
18 (11) the student records of schools, as defined in s. 38.50 (1) (e), that have  
19 discontinued their operations.

      \*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

20          ~~**SECTION 6.** 20.485 (5) (h) of the statutes is renumbered 20.292 (2) (h).~~

      \*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

1           **SECTION 7.** 29.506 (7m) (a) of the statutes is amended to read:

2           29.506 (7m) (a) The department shall issue a taxidermy school permit to a  
3           person who applies for the permit; who, on August 15, 1991, holds a valid  
4           taxidermist permit issued under this section; and who, on August 15, 1991, operates  
5           a taxidermy school approved by the educational approval board under s. 45.54 38.50.

6           **SECTION 8.** 38.50 (11) of the statutes is created to read:

7           38.50 (11) CLOSED SCHOOLS; PRESERVATION OF RECORDS. (a) In this subsection:

8           1. Notwithstanding sub. (1) (e), “school” has the meaning given in sub. (1) (e)  
9           (intro.) and also includes a school described in sub. (1) (e) 1., 6., 7., or 8.

10          2. “Student record” means, in the case of a school, as defined in sub. (1) (e)  
11          (intro.), a transcript for a student or former student of a school showing the name of  
12          the student, the title of the program in which the student was or is enrolled, the total  
13          number of credits or hours of instruction completed by the student, the dates of  
14          enrollment, the grade for each course, lesson, or unit of instruction completed by the  
15          student, the student’s cumulative grade for the program, and an explanation of the  
16          school’s credit and grading system. In the case of a school described in sub. (1) (e) 1.,  
17          6., 7., or 8., “student record” means a transcript for a student or former student of the  
18          school showing such information about the academic work completed by the student  
19          or former student as is customarily maintained by the school.

20          (b) If a school operating in this state discontinues its operations, proposes to  
21          discontinue its operations, or is in imminent danger of discontinuing its operations  
22          as determined by the board and if the board determines that the student records of  
23          the school are in danger of being destroyed, secreted, mislaid, or otherwise made  
24          unavailable to the persons who are the subjects of those student records or the  
25          authorized representatives of those persons, the board may take possession of those

1 student records. If necessary to protect student records from being destroyed,  
2 secreted, mislaid, or otherwise made unavailable to the persons who are the subjects  
3 of those student records or the authorized representatives of those persons, the board  
4 may seek a court order authorizing the board to take possession of those student  
5 records.

6 (c) The board shall preserve a student record that comes into the possession of  
7 the board under par. (b) and shall keep the student record confidential as provided  
8 under 20 USC 1232g and 34 CFR Part 99. A student record in the possession of the  
9 board is not open to public inspection or copying under s. 19.35 (1). Upon request of  
10 the person who is the subject of a student record or an authorized representative of  
11 that person, the board shall provide a copy of the student record to the requester. The  
12 board may charge a fee for providing a copy of a student record. The fee shall be based  
13 on the administrative cost of taking possession of, preserving, and providing the copy  
14 of the student record. All fees collected under this paragraph shall be credited to the  
15 appropriation account under s. 20.292 (2) (i).

16 ~~SECTION 9. 45.25 (1m) of the statutes is amended to read:~~

17 ~~45.25 (1m) ADMINISTRATION. The department shall administer a tuition~~  
18 ~~reimbursement program for eligible veterans enrolling as undergraduates in any~~  
19 ~~institution of higher education, as defined in s. 45.396 (1) (a), in this state, enrolling~~  
20 ~~in a school that is approved under s. 45.35 (9m), enrolling in a proprietary school that~~  
21 ~~is approved under s. 45.54 38.50, or receiving a waiver of nonresident tuition under~~  
22 ~~s. 39.47.~~

23 ~~SECTION 10. 45.25 (3) (a) of the statutes is amended to read:~~

24 ~~45.25 (3) (a) Except as provided in par. (am), a veteran who meets the~~  
25 ~~requirements under sub. (2), upon satisfactory completion of a full-time~~

1 undergraduate semester in any institution of higher education, as defined in s.  
2 45.396 (1) (a), in this state, any school that is approved under s. 45.35 (9m), any  
3 proprietary school that is approved under s. 45.54 38.50, or any institution from  
4 which the veteran receives a waiver of nonresident tuition under s. 39.47, may be  
5 reimbursed an amount not to exceed the total cost of the veteran's tuition minus any  
6 grants or scholarships that the veteran receives specifically for the payment of the  
7 tuition, or the standard cost of tuition for a state resident for an equivalent  
8 undergraduate semester at the University of Wisconsin-Madison, whichever is less.  
9 Reimbursement is available only for tuition that is part of a curriculum that is  
10 relevant to a degree in a particular course of study at the institution.

11 **SECTION 11.** 45.25 (4) (a) of the statutes is amended to read:

12 45.25 (4) (a) A veteran is not eligible for reimbursement under sub. (2) for more  
13 than 120 credits or 8 full semesters of full-time study at any institution of higher  
14 education, as defined in s. 45.396 (1) (a), in this state, 60 credits or 4 full semesters  
15 of full-time study at any institution of higher education, as defined in s. 45.396 (1)  
16 (a), in this state that offers a degree upon completion of 60 credits, or an equivalent  
17 amount of credits at a school that is approved under s. 45.35 (9m), at a proprietary  
18 school that is approved under s. 45.54 38.50, or at an institution where he or she is  
19 receiving a waiver of nonresident tuition under s. 39.47.

20 **SECTION 12.** 45.396 (2) of the statutes is amended to read:

21 45.396 (2) Any veteran upon the completion of any correspondence course or  
22 part-time classroom study from an institution of higher education located in this  
23 state, from a school that is approved under s. 45.35 (9m), from a proprietary school  
24 that is approved under s. 45.54 38.50, or from any public or private high school may  
25 be reimbursed in part for the cost of the course by the department upon presentation

1 to the department of a certificate from the school indicating that the veteran has  
2 completed the course and stating the cost of the course and upon application for  
3 reimbursement completed by the veteran and received by the department no later  
4 than 60 days after the termination of the course for which the application for  
5 reimbursement is made. The department shall accept and process an application  
6 received more than 60 days after the termination of the course if the applicant shows  
7 good cause for the delayed receipt. The department may not require that an  
8 application be received sooner than 60 days after a course is completed. Benefits  
9 granted under this section shall be paid out of the appropriation under s. 20.485 (2)  
10 (th).

11 **SECTION 13.** 45.396 (3) (intro.) of the statutes is amended to read:

12 45.396 (3) (intro.) A veteran who is a resident of this state and otherwise  
13 qualified to receive benefits under this section may receive the benefits under this  
14 section upon the completion of any correspondence courses or part-time classroom  
15 study from an institution of higher education located outside this state, from a school  
16 that is approved under s. 45.35 (9m), or from a proprietary school that is approved  
17 under s. 45.54 38.50, if any of the following applies:

18 **SECTION 14.** 45.397 (2) (a) of the statutes is amended to read:

19 45.397 (2) (a) The veteran is enrolled in a training course in a technical college  
20 under ch. 38 or in a proprietary school in the state approved by the educational  
21 approval board under s. 45.54 38.50, other than a proprietary school offering a  
22 4-year degree or 4-year program, or is engaged in a structured on-the-job training  
23 program that meets program requirements promulgated by the department by rule.

24 **SECTION 15.** 45.54 (title) of the statutes is renumbered 38.50 (title).

25 **SECTION 16.** 45.54 (1) (intro.) of the statutes is renumbered 38.50 (1) (intro.).



1       **SECTION 17.** 45.54 (1) (a) of the statutes is renumbered 38.50 (1) (a) and  
2 amended to read:

3       38.50 (1) (a) “Board” Notwithstanding s. 38.01 (2), “board” means the  
4 educational approval board.

5       **SECTION 18.** 45.54 (1) (b) of the statutes is renumbered 38.50 (1) (b).

6       **SECTION 19.** 45.54 (1) (c) of the statutes is renumbered 38.50 (1) (c).

7       **SECTION 20.** 45.54 (1) (d) of the statutes is renumbered 38.50 (1) (d).

8       **SECTION 21.** 45.54 (1) (e) of the statutes is renumbered 38.50 (1) (e).

9       **SECTION 22.** 45.54 (1) (f) of the statutes is renumbered 38.50 (1) (f).

10       **SECTION 23.** 45.54 (1) (g) of the statutes is renumbered 38.50 (1) (g).

11       **SECTION 24.** 45.54 (2) of the statutes is renumbered 38.50 (2).

12       **SECTION 25.** 45.54 (3) of the statutes is renumbered 38.50 (3).

13       **SECTION 26.** 45.54 (5) of the statutes is renumbered 38.50 (5) and amended to  
14 read:

15       38.50 (5) EMPLOYEES, QUARTERS. The board shall employ a person to perform  
16 the duties of an executive secretary and any other persons under the classified  
17 service that may be necessary to carry out the board’s purpose. The person  
18 performing the duties of the executive secretary shall be in charge of the  
19 administrative functions of the board. The board shall, to the maximum extent  
20 practicable, keep its office with the ~~department~~ technical college system board.

21       **SECTION 27.** 45.54 (7) of the statutes is renumbered 38.50 (7).

22       **SECTION 28.** 45.54 (8) of the statutes is renumbered 38.50 (8).

23       **SECTION 29.** 45.54 (10) (title) of the statutes is renumbered 38.50 (10) (title).

24       **SECTION 30.** 45.54 (10) (a) of the statutes is renumbered 38.50 (10) (a) and  
25 amended to read:

1           38.50 (10) (a) *Authority.* All proprietary schools shall be examined and  
2 approved by the board before operating in this state. Approval shall be granted to  
3 schools meeting the criteria established by the board for a period not to exceed one  
4 year. No school may advertise in this state unless approved by the board. All  
5 approved schools shall submit quarterly reports, including information on  
6 enrollment, number of teachers and their qualifications, course offerings, number of  
7 graduates, number of graduates successfully employed, and such other information  
8 as the board deems necessary. If a school closure results in losses to students,  
9 parents, or sponsors, the board may authorize the full or partial payment of those  
10 losses from the appropriation under s. ~~20.485 (5)~~ 20.292 (2) (gm).

11           **SECTION 31.** 45.54 (10) (b) of the statutes is renumbered 38.50 (10) (b).

12           **SECTION 32.** 45.54 (10) (c) of the statutes is renumbered 38.50 (10) (c).

13           **SECTION 33.** 45.54 (10) (cm) of the statutes is renumbered 38.50 (10) (cm).

14           **SECTION 34.** 45.54 (10) (d) of the statutes is renumbered 38.50 (10) (d).

15           **SECTION 35.** 45.54 (10) (e) of the statutes is renumbered 38.50 (10) (e).

16           **SECTION 36.** 71.05 (6) (b) 28. (intro.) of the statutes is amended to read:

17           71.05 (6) (b) 28. (intro.) An amount paid by a claimant for tuition expenses for  
18 a student who is the claimant or who is the claimant's child and the claimant's  
19 dependent who is claimed under section 151 (c) of the Internal Revenue Code, to  
20 attend any university, college, technical college or a school approved under s. 45.54  
21 38.50, that is located in Wisconsin or to attend a public vocational school or public  
22 institution of higher education in Minnesota under the Minnesota-Wisconsin  
23 reciprocity agreement under s. 39.47, calculated as follows:

24           **SECTION 37.** 182.028 of the statutes is amended to read:

1           **182.028 School corporations.** Any corporation formed for the establishment  
2 and maintenance of schools, academies, seminaries, colleges, or universities or for  
3 the cultivation and practice of music shall have power to enact bylaws for the  
4 protection of its property, and provide fines as liquidated damages upon its members  
5 and patrons for violating the bylaws, and may collect the same in tort actions, and  
6 to prescribe and regulate the courses of instruction therein, and to confer such  
7 degrees and grant such diplomas as are usually conferred by similar institutions or  
8 as shall be appropriate to the courses of instruction prescribed, except that no  
9 corporation shall operate or advertise a school that is subject to s. 45.54 38.50 (10)  
10 without complying with the requirements of s. 45.54 38.50. Any stockholder may  
11 transfer his or her stock to the corporation for its use; and if the written transfer so  
12 provides the stock shall be perpetually held by the board of directors with all the  
13 rights of a stockholder, including the right to vote.

14           **SECTION 38.** 460.05 (1) (e) 1. of the statutes is amended to read:

15           460.05 (1) (e) 1. Graduated from a school of massage therapy or bodywork  
16 approved by the educational approval board under s. 45.54 38.50 or completed a  
17 training program approved by the department under the rules promulgated under  
18 s. 460.04 (2) (b).

19           **SECTION 39.** 944.21 (8) (b) 3. a. of the statutes is amended to read:

20           944.21 (8) (b) 3. a. Is a technical college, is a school approved by the educational  
21 approval board under s. 45.54 38.50 or is a school described in s. 45.54 38.50 (1) (e)  
22 6., 7. or 8.; and

23           **SECTION 40.** 948.11 (4) (b) 3. a. of the statutes is amended to read:

↓  
(DL 05F)

DRAFT

✓ LRB-0328/2

→ Joshua Hummert, Dan Cautt, and Sonia Olsen - Hasek!

This draft reconciles LRB-1510 / I and LRB-0330 / PI.

(LRB-0328)

~~Both~~ LRB-1510 / I and LRB-0330 / PI

~~NO~~ <sup>all</sup> should continue to appear in the compiled

bill.

GMM

Also, Josh, this redraft ~~also~~ permits EAB to

retain in ~~the~~ 20.425 the proprietary schools

appropriation account not more than 20 percent of the

amount in the schedule for the ~~next~~ <sup>I</sup> fiscal year,

which was the original intent of EAB as set forth

<sup>2005</sup> in LRB ~~05~~ - 0086/1.

GMM

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1510/2dn  
GMM:kjf:rs

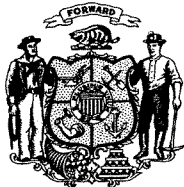
January 26, 2005

Joshua Hummert, Dan Caucutt, and Sonia Olsen-Hasek:

This draft reconciles LRB-1510/1, LRB-0328/2, and LRB-0330/P1. LRB-1510, LRB-0328, and LRB-0330 should all continue to appear in the compiled bill.

Also, Josh, this redraft permits EAB to retain in the proprietary schools appropriation account not more than 20 percent of the amount in the schedule for the *next* fiscal year, which was the original intent of EAB as set forth in 2005 LRB-0086/1.

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State of Wisconsin  
2005 - 2006 LEGISLATURE

LRB-1510/2

GMM:kjf:rs

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

DOA:.....Hummert, BB0361 - Educational approval board

1 AN ACT ...; relating to: the budget.

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*Analysis by the Legislative Reference Bureau*  
**EDUCATION**

**OTHER EDUCATIONAL AND CULTURAL AGENCIES**

Under current law, the Educational Approval Board (EAB) inspects and approves private trade, correspondence, business, and technical schools (EAB-approved schools) to protect the students, prevent fraud, and encourage accepted educational standards at those schools. Currently, the EAB is attached to DVA for administrative purposes. This bill attaches the EAB to the Technical College System Board for administrative purposes.

Under current administrative rules, the EAB may seek a court order to take possession of an EAB-approved school's records if it appears that those records are in danger of being destroyed, secreted, mislaid, or otherwise made unavailable. Current law, however, exempts from the oversight of the EAB tax-exempt schools that were incorporated in this state before January 1, 1992, or that had their headquarters and principal places of business in this state before 1970, schools that are licensed or approved, and supervised, by other state agencies, schools approved by DPI for the training of teachers, and schools accredited by accrediting agencies recognized by the EAB (schools not approved by the EAB).

This bill permits the EAB to take possession of the student records of an EAB-approved school or a school not approved by the EAB operating in this state if the school discontinues its operations, proposes to discontinue its operations, or is in

imminent danger of discontinuing its operations as determined by the EAB and if the EAB determines that those records are in danger of being destroyed, secreted, mislaid, or otherwise made unavailable to the persons who are the subjects of those records. The bill also permits the EAB to seek a court order authorizing the EAB to take possession of the student records of an EAB-approved school or a school not approved by the EAB if necessary to protect those records from being destroyed, secreted, mislaid, or otherwise made unavailable to the persons who are the subjects of those records.

In addition, the bill permits the EAB to retain in an appropriation account that it uses for the examination and approval of school programs not more than 20 percent of the amount of the unencumbered balance at the end of each fiscal year that does not exceed 20 percent of the amount appropriated for those purposes for the next fiscal year and requires that, of the balance remaining, 50 percent shall lapse to the general fund and 50 percent shall be transferred to an appropriation account that the EAB uses to indemnify students who suffer losses as a result of a school closure.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 15.495 of the statutes is renumbered 15.945 and amended to read:

2           **15.945 Same; attached board.** (1) EDUCATIONAL APPROVAL BOARD. There is  
3           created an educational approval board which is attached to the ~~department of~~  
4           ~~veterans affairs~~ technical college system board under s. 15.03. The board shall  
5           consist of not more than 7 members, who shall be representatives of state agencies  
6           and other persons with a demonstrated interest in educational programs, appointed  
7           to serve at the pleasure of the governor.

8           **SECTION 2.** 20.292 (2) (i) of the statutes is created to read:

9           20.292 (2) (i) *Closed schools; preservation of student records.* All moneys  
10          received from fees collected under s. 38.50 (11) (c) to be used for the administrative  
11          costs of taking possession of, preserving, and providing copies of student records of  
12          schools, as defined in s. 38.50 (11) (a) 1., that have discontinued their operations.

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.



1           **SECTION 3.** 20.485 (5) (title) of the statutes is renumbered 20.292 (2) (title).

      \*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

2           **SECTION 4.** 20.485 (5) (g) of the statutes is renumbered 20.292 (2) (g) and  
3 amended to read:

4           20.292 (2) (g) *Proprietary school programs.* The amounts in the schedule for  
5 the examination and approval of proprietary school programs. All moneys received  
6 from the issuance of solicitor's permits under s. 45.54 38.50 (8) and fees under s. 45.54  
7 38.50 (10) shall be credited to this appropriation account. Notwithstanding s. 20.001  
8 (3) (a), the educational approval board may retain in this appropriation account the  
9 amount of the unencumbered balance on June 30 of each fiscal year that does not  
10 exceed 20 percent of the amount in the schedule for the next fiscal year and, of the  
11 balance remaining, 50 percent shall be transferred to the appropriation account  
12 under par. (gm) and 50 percent shall lapse to the general fund.

      \*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

13          **SECTION 5.** 20.485 (5) (gm) of the statutes is renumbered 20.292 (2) (gm) and  
14 amended to read:

15          20.292 (2) (gm) *Student protection.* All moneys received from the fees received  
16 under s. 45.54 38.50 (10) (c) 4. and all moneys transferred from the appropriation  
17 account under par. (g), for the purpose of indemnifying students, parents, or sponsors  
18 under s. 45.54 (10) (a) 38.50 (10) (a) and for the purpose of preserving under s. 38.50  
19 (11) the student records of schools, as defined in s. 38.50 (1) (e), that have  
20 discontinued their operations.

      \*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

21          **SECTION 6.** 29.506 (7m) (a) of the statutes is amended to read:

1           29.506 (7m) (a) The department shall issue a taxidermy school permit to a  
2 person who applies for the permit; who, on August 15, 1991, holds a valid  
3 taxidermist permit issued under this section; and who, on August 15, 1991, operates  
4 a taxidermy school approved by the educational approval board under s. 45.54 38.50.

5           **SECTION 7.** 38.50 (11) of the statutes is created to read:

6           **38.50 (11) CLOSED SCHOOLS; PRESERVATION OF RECORDS.** (a) In this subsection:

7           1. Notwithstanding sub. (1) (e), “school” has the meaning given in sub. (1) (e)  
8 (intro.) and also includes a school described in sub. (1) (e) 1., 6., 7., or 8.

9           2. “Student record” means, in the case of a school, as defined in sub. (1) (e)  
10 (intro.), a transcript for a student or former student of a school showing the name of  
11 the student, the title of the program in which the student was or is enrolled, the total  
12 number of credits or hours of instruction completed by the student, the dates of  
13 enrollment, the grade for each course, lesson, or unit of instruction completed by the  
14 student, the student’s cumulative grade for the program, and an explanation of the  
15 school’s credit and grading system. In the case of a school described in sub. (1) (e) 1.,  
16 6., 7., or 8., “student record” means a transcript for a student or former student of the  
17 school showing such information about the academic work completed by the student  
18 or former student as is customarily maintained by the school.

19           (b) If a school operating in this state discontinues its operations, proposes to  
20 discontinue its operations, or is in imminent danger of discontinuing its operations  
21 as determined by the board and if the board determines that the student records of  
22 the school are in danger of being destroyed, secreted, mislaid, or otherwise made  
23 unavailable to the persons who are the subjects of those student records or the  
24 authorized representatives of those persons, the board may take possession of those  
25 student records. If necessary to protect student records from being destroyed,

1       secreted, mislaid, or otherwise made unavailable to the persons who are the subjects  
2       of those student records or the authorized representatives of those persons, the board  
3       may seek a court order authorizing the board to take possession of those student  
4       records.

5           (c) The board shall preserve a student record that comes into the possession of  
6       the board under par. (b) and shall keep the student record confidential as provided  
7       under 20 USC 1232g and 34 CFR Part 99. A student record in the possession of the  
8       board is not open to public inspection or copying under s. 19.35 (1). Upon request of  
9       the person who is the subject of a student record or an authorized representative of  
10      that person, the board shall provide a copy of the student record to the requester. The  
11      board may charge a fee for providing a copy of a student record. The fee shall be based  
12      on the administrative cost of taking possession of, preserving, and providing the copy  
13      of the student record. All fees collected under this paragraph shall be credited to the  
14      appropriation account under s. 20.292 (2) (i).

15           **SECTION 8.** 45.397 (2) (a) of the statutes is amended to read:

16           45.397 (2) (a) The veteran is enrolled in a training course in a technical college  
17      under ch. 38 or in a proprietary school in the state approved by the educational  
18      approval board under s. ~~45.54~~ 38.50, other than a proprietary school offering a  
19      4-year degree or 4-year program, or is engaged in a structured on-the-job training  
20      program that meets program requirements promulgated by the department by rule.

21           **SECTION 9.** 45.54 (title) of the statutes is renumbered 38.50 (title).

22           **SECTION 10.** 45.54 (1) (intro.) of the statutes is renumbered 38.50 (1) (intro.).

23           **SECTION 11.** 45.54 (1) (a) of the statutes is renumbered 38.50 (1) (a) and  
24      amended to read:

1           38.50 (1) (a) “~~Board~~” Notwithstanding s. 38.01 (2), “board” means the  
2 educational approval board.

3           **SECTION 12.** 45.54 (1) (b) of the statutes is renumbered 38.50 (1) (b).

4           **SECTION 13.** 45.54 (1) (c) of the statutes is renumbered 38.50 (1) (c).

5           **SECTION 14.** 45.54 (1) (d) of the statutes is renumbered 38.50 (1) (d).

6           **SECTION 15.** 45.54 (1) (e) of the statutes is renumbered 38.50 (1) (e).

7           **SECTION 16.** 45.54 (1) (f) of the statutes is renumbered 38.50 (1) (f).

8           **SECTION 17.** 45.54 (1) (g) of the statutes is renumbered 38.50 (1) (g).

9           **SECTION 18.** 45.54 (2) of the statutes is renumbered 38.50 (2).

10          **SECTION 19.** 45.54 (3) of the statutes is renumbered 38.50 (3).

11          **SECTION 20.** 45.54 (5) of the statutes is renumbered 38.50 (5) and amended to  
12 read:

13          38.50 (5) **EMPLOYEES, QUARTERS.** The board shall employ a person to perform  
14 the duties of an executive secretary and any other persons under the classified  
15 service that may be necessary to carry out the board’s purpose. The person  
16 performing the duties of the executive secretary shall be in charge of the  
17 administrative functions of the board. The board shall, to the maximum extent  
18 practicable, keep its office with the ~~department~~ technical college system board.

19          **SECTION 21.** 45.54 (7) of the statutes is renumbered 38.50 (7).

20          **SECTION 22.** 45.54 (8) of the statutes is renumbered 38.50 (8).

21          **SECTION 23.** 45.54 (10) (title) of the statutes is renumbered 38.50 (10) (title).

22          **SECTION 24.** 45.54 (10) (a) of the statutes is renumbered 38.50 (10) (a) and  
23 amended to read:

24          38.50 (10) (a) *Authority.* All proprietary schools shall be examined and  
25 approved by the board before operating in this state. Approval shall be granted to

1 schools meeting the criteria established by the board for a period not to exceed one  
2 year. No school may advertise in this state unless approved by the board. All  
3 approved schools shall submit quarterly reports, including information on  
4 enrollment, number of teachers and their qualifications, course offerings, number of  
5 graduates, number of graduates successfully employed, and such other information  
6 as the board deems necessary. If a school closure results in losses to students,  
7 parents, or sponsors, the board may authorize the full or partial payment of those  
8 losses from the appropriation under s. ~~20.485 (5)~~ 20.292 (2) (gm).

9 **SECTION 25.** 45.54 (10) (b) of the statutes is renumbered 38.50 (10) (b).

10 **SECTION 26.** 45.54 (10) (c) of the statutes is renumbered 38.50 (10) (c).

11 **SECTION 27.** 45.54 (10) (cm) of the statutes is renumbered 38.50 (10) (cm).

12 **SECTION 28.** 45.54 (10) (d) of the statutes is renumbered 38.50 (10) (d).

13 **SECTION 29.** 45.54 (10) (e) of the statutes is renumbered 38.50 (10) (e).

14 **SECTION 30.** 71.05 (6) (b) 28. (intro.) of the statutes is amended to read:

15 71.05 (6) (b) 28. (intro.) An amount paid by a claimant for tuition expenses for  
16 a student who is the claimant or who is the claimant's child and the claimant's  
17 dependent who is claimed under section 151 (c) of the Internal Revenue Code, to  
18 attend any university, college, technical college or a school approved under s. ~~45.54~~  
19 38.50, that is located in Wisconsin or to attend a public vocational school or public  
20 institution of higher education in Minnesota under the Minnesota-Wisconsin  
21 reciprocity agreement under s. 39.47, calculated as follows:

22 **SECTION 31.** 182.028 of the statutes is amended to read:

23 **182.028 School corporations.** Any corporation formed for the establishment  
24 and maintenance of schools, academies, seminaries, colleges, or universities or for  
25 the cultivation and practice of music shall have power to enact bylaws for the

1 protection of its property, and provide fines as liquidated damages upon its members  
2 and patrons for violating the bylaws, and may collect the same in tort actions, and  
3 to prescribe and regulate the courses of instruction therein, and to confer such  
4 degrees and grant such diplomas as are usually conferred by similar institutions or  
5 as shall be appropriate to the courses of instruction prescribed, except that no  
6 corporation shall operate or advertise a school that is subject to s. 45.54 38.50 (10)  
7 without complying with the requirements of s. 45.54 38.50. Any stockholder may  
8 transfer his or her stock to the corporation for its use; and if the written transfer so  
9 provides the stock shall be perpetually held by the board of directors with all the  
10 rights of a stockholder, including the right to vote.

11 **SECTION 32.** 460.05 (1) (e) 1. of the statutes is amended to read:

12 460.05 (1) (e) 1. Graduated from a school of massage therapy or bodywork  
13 approved by the educational approval board under s. 45.54 38.50 or completed a  
14 training program approved by the department under the rules promulgated under  
15 s. 460.04 (2) (b).

16 **SECTION 33.** 944.21 (8) (b) 3. a. of the statutes is amended to read:

17 944.21 (8) (b) 3. a. Is a technical college, is a school approved by the educational  
18 approval board under s. 45.54 38.50 or is a school described in s. 45.54 38.50 (1) (e)  
19 6., 7. or 8.; and

20 **SECTION 34.** 948.11 (4) (b) 3. a. of the statutes is amended to read:

21 948.11 (4) (b) 3. a. Is a technical college, is a school approved by the educational  
22 approval board under s. 45.54 38.50 or is a school described in s. 45.54 38.50 (1) (e)  
23 6., 7. or 8.; and

24 (END)